

AD-A195 770

DEPARTMENT OF THE NAVY JUSTIFICATION OF ESTIMATES
AMENDED FISCAL YEAR 198 (U) OFFICE OF THE COMPTROLLER
(NAVY) WASHINGTON DC FEB 88

1/1

UNCLASSIFIED

F/G 3/1

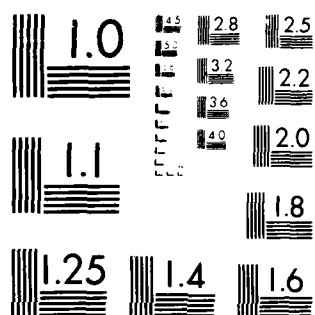
NL

END

DATE

FORM

9 88



MICROCOPY RESOLUTION TEST CHART
NATIONAL BUREAU OF STANDARDS-1963-A

AD-A195 770

DEPARTMENT OF THE NAVY DTIC FILE COPY
JUSTIFICATION OF ESTIMATES
AMENDED FY 1988/1989 BIENNIAL BUDGET



DTIC
ELECTE
JUL 28 1988
S D

SUBMITTED TO CONGRESS FEBRUARY 1988

PROCUREMENT

DISTRIBUTION STATEMENT A
Approved for public release
Distribution Unlimited

PROCUREMENT, MARINE CORPS

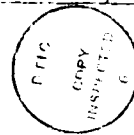
DEPARTMENT OF THE NAVY
PROCUREMENT, MARINE CORPS

Justification of Estimates for Amended FY1988/1989 Biennial Budget

Table of Contents

Budget Appendix Extract.....	<u>Page</u>
Summary of Requirements.....	1
Budget Activity Justification.....	11
Budget Activity 1: Ammunition.....	12
Budget Activity 2: Weapons and Tracked Combat Vehicles.....	12
Budget Activity 3: Guided Missiles and Equipment.....	13
Budget Activity 4: Communications and Electronics Equipment.....	14
Budget Activity 5: Support Vehicles.....	15
Budget Activity 6: Engineer and Other Equipment.....	16
Budget Activity 7: Spares and Repair Parts.....	17
Comparison of Program Requirements and Financing.....	17
	19

Approved For	
NTIS CR&I	<input checked="" type="checkbox"/>
ERIC IAB	<input type="checkbox"/>
Unannounced	<input type="checkbox"/>
Justification	
By <i>Str. on file</i>	
Distribution	
Number of Copies	
Date	
Signature	
A-1	



PROCUREMENT, MARINE CORPS

For expenses necessary for the procurement, manufacture, and modification of, missiles, armament, ammunition, military equipment, spare parts, and accessories therefore; plant equipment, appliances, and machine tools, and installation thereof in public and private plants; reserve plant and Government and contractor-owned equipment layaway; vehicles for the Marine Corps, including purchase of not to exceed [one hundred fifty-three] 150 passenger motor vehicles for replacement only; and expansion of public and private plants, including land necessary therefore, and such lands, and interests therein, may be acquired and construction prosecuted thereon prior to approval of title; [\$1,295,599,000] \$1,157,300,000, of which \$43,500,000 shall be available only for the Marine Corps Reserve, to remain available for obligation until September 30, [1990] 1991. (10 U.S.C. 5013, 7201; Department of Defense Appropriation Act, 1988, as included in public Laws 99-500 and 99-591, section 101(c); additional authorizing legislation to the proposed.)

[Handwritten notes and signatures]

Procurement, Marine Corps
Program and Financing (in thousands of dollars) SUMMARY

Identification code	17-1109-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1987 actual	1988 est.	1989 est.	1987 actual	1988 est.	1989 est.
Program by activities:							
Direct program:							
Ammunition							
00.0101		566,814	362,875	225,306	551,989	321,652	264,287
00.0201	Weapons and combat vehicles	95,703	85,867	95,981	116,843	79,993	90,740
00.0301	Guided missiles and equipment	224,631	310,200	330,609	234,340	271,348	285,053
00.0401	Communications and electronics equipment	243,604	278,825	294,622	355,974	350,346	311,520
00.0501	Support vehicles	139,243	41,116	25,434	176,388	65,727	43,160
00.0601	Engineer and other equipment	138,260	187,918	138,252	185,432	191,420	155,064
00.0701	Spare and repair parts	30,260	28,998	47,096	37,449	23,628	41,027
00.9101	Total direct program	1,438,515	1,295,599	1,157,300	1,658,415	1,304,114	1,190,851
01.0101	Reimbursable program	7,694	35,749	3,607	10,729	47,072	3,607
10.0001	Total	1,446,209	1,331,348	1,160,907	1,669,144	1,351,186	1,194,458
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)	-7,670	-35,749	-3,607	-7,149	-35,749	-3,607
13.0001	Trust funds(-)	-24			111		
17.0001	Recovery of prior year obligations				-66,118		
Unobligated balance available, start of year:							
21.4002	For completion of prior year budget plans						
21.4003	Available to finance new budget plans	-33,500	-71,300		-590,311	-324,819	-304,981
21.4007	Reprogramming from/to prior year budget plan	-108,019			-33,500	-71,300	
22.4001	Unobligated balance transferred to other accounts	52,700	8,700		52,700	8,700	
Unobligated balance available, end of year:							
24.4002	For completion of prior year budget plans						
24.4003	Available to finance subsequent year budget	71,300			324,819	304,981	271,430
25.0001	Unobligated balance lapsing	14,719			14,719		
39.0001	Budget authority	1,435,715	1,232,999	1,157,300	1,435,715	1,232,999	1,157,300
Budget authority:							
40.0001	Appropriation	1,465,215	1,295,599	1,157,300	1,465,215	1,295,599	1,157,300
40.0017	Appropriation rescinded	-26,500	-62,600		-26,500	-62,600	
41.0001	Transferred to other accounts(-)	-3,000			-3,000		
43.0001	Appropriation (adjusted)	1,435,715	1,232,999	1,157,300	1,435,715	1,232,999	1,157,300

Navy

Procurement, Marine Corps
Program and Financing (in thousands of dollars) SUMMARY

Identification code	17-1109-0-1-051	1987 actual	1988 est.	1989 est.
Relation of obligations to outlays:				
71.0001	Obligations incurred, net	1,662,106	1,315,437	1,190,851
72.4001	Obligated balance, start of year	2,815,198	2,738,768	2,603,305
74.4001	Obligated balance, end of year	-2,738,768	-2,603,305	-2,439,356
77.0001	Adjustments in expired accounts	1,911		
78.0001	Adjustments in unexpired accounts	-66,118		
90.0001	Outlays	1,674,330	1,450,900	1,354,800

Navy

Procurement, Marine Corps
Object Classification (in Thousands of dollars) SUMMARY

Identification code	17-1109-0-1-051	1987 actual	1988 est.	1989 est.
Direct obligations:				
126.001 Supplies and materials		604,409	408,550	403,733
131.001 Equipment		1,054,006	895,564	787,118
199.001 Total Direct obligations		1,658,415	1,304,114	1,190,851
Reimbursable obligations:				
231.001 Equipment		10,729	47,072	3,607
299.001 Total Reimbursable obligations		10,729	47,072	3,607
999.901 Total obligations		1,669,144	1,351,186	1,194,458

Navy

Procurement, Marine Corps
Program and Financing (in thousands of dollars) FISCAL YEAR 1983

Identification code	17-1109-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)		Obligations	
		1987 actual	1988 est.	1987 actual	1988 est.
Financing:					
17.0001	Recovery of prior year obligations			-25,500	
	Unobligated balance available, start of year:				
21.4007	Reprogramming from/to prior year budget plan	-25,500			
22.4001	Unobligated balance transferred to other acc	25,500		25,500	
39.0001	Budget authority				

Navy

Procurement, Marine Corps
Program and Financing (in thousands of dollars) FISCAL YEAR 1985

Identification code	17-1109-0-1-051	Budget plan (amounts for PRO(UREMFINI actions programmed)		Obligations	
		1987 actual	1988 est.	1987 actual	1988 est.
Program by activities:					
Direct program:					
00.0101	Ammunition			7,914	
00.0201	Weapons and combat vehicles			26,672	
00.0301	Guided missiles and equipment			8,160	
00.0401	Communications and electronics equipment			67,087	
00.0501	Support vehicles			20,808	
00.0601	Engineer and other equipment			41,200	
00.9101	Total direct program			171,841	
01.0101	Reimbursable program			7,099	
10.0001	Total			178,940	
Financing:					
Offsetting collections from:					
11.0001	Federal funds(-)			435	
13.0001	Trust funds(-)			143	
17.0001	Recovery of prior year obligations			-18,421	
21.4002	Unobligated balance available, start of year:				
21.4003	For completion of prior year budget plans			-198,016	
21.4007	Available to finance new budget plans			-7,100	
22.4001	Reprogramming from/to prior year budget plan			20,200	
25.0001	Unobligated balance transferred to other acc			14,719	
40.0017	Unobligated balance lapsing				
	Budget authority (Appropriation rescinded)			-7,100	

Procurement, Marine Corps
Program and Financing (in thousands of dollars) FISCAL YEAR 1986

Identification code	17-1109-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1987 actual	1988 est.	1989 est.	1987 actual	1988 est.	1989 est.
Program by activities:							
Direct program:							
00.0101	Ammunition						
00.0201	Weapons and combat vehicles				3,813	2,060	
00.0301	Guided missiles and equipment				7,024	4,505	
00.0401	Communications and electronics equipment				1,500	491	
00.0501	Support vehicles				134,832	59,889	
00.0601	Engineer and other equipment				49,242	18,981	
00.0701	Spare and repair parts				59,532	10,675	
00.9101	Total direct program				8,566	445	
01.0101	Reimbursable program				264,509	97,046	
10.0001	Total				3,630	3,629	
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)						
13.0001	Trust funds(-)						
17.0001	Recovery of prior year obligations				86		
21.4002	Unobligated balance available, start of year:				-8		
21.4003	For completion of prior year budget plans				-22,197		
21.4007	Available to finance new budget plans						
22.4001	Reprogramming from/to prior year budget plans						
22.4001	Unobligated balance transferred to other acc	-26,400	-47,600		-394,295	-100,675	
24.4002	Unobligated balance available, end of year:	-47,600			-26,400	-47,600	
24.4003	For completion of prior year budget plans	7,000					
24.4003	Available to finance subsequent year budget	47,600			7,000		
40.0017	Budget authority (Appropriation rescinded)	-19,400	-47,600		100,675		
					47,600		
					-19,400	47,600	

Procurement, Marine Corps
Program and Financing (in Thousands of dollars) FISCAL YEAR 1987

Identification code	17-1109-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1987 actual	1988 est.	1989 est.	1987 actual	1988 est.	1989 est.
Program by activities:							
Direct program:							
00.0101	Ammunition	566,814			540,262	11,549	15,003
00.0201	Weapons and combat vehicles	95,703			83,147	12,556	
00.0301	Guided missiles and equipment	224,631			224,680	-49	
00.0401	Communications and electronics equipment	243,604			154,055	62,838	26,711
00.0501	Support vehicles	139,243			106,338	14,588	18,317
00.0601	Engineer and other equipment	138,260			84,700	29,095	24,465
00.0701	Spare and repair parts	30,260			28,883	565	812
00.9101	Total direct program	1,438,515			1,222,065	131,142	85,308
01.0101	Reimbursable program	7,694				7,694	
10.0001	Total	1,446,209			1,222,065	138,836	85,308
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)	-7,670			-7,670		
13.0001	Trust funds(-)	-24			-24		
21.4002	Unobligated balance available, start of year:						
21.4003	For completion of prior year budget plans					-224,144	-85,308
22.4001	Available to finance new budget plans					-23,700	
22.4001	Unobligated balance transferred to other acc				8,700	8,700	
22.4001	Unobligated balance available, end of year:						
24.4002	For completion of prior year budget plans				224,144	85,308	
24.4003	Available to finance subsequent year budget	23,700			23,700		
39.0001	Budget authority	1,462,215	-15,000		1,462,215	-15,000	
Budget authority:							
40.0001	Appropriation	1,465,215			1,465,215		
40.0017	Appropriation rescinded		-15,000			-15,000	
41.0001	Transferred to other accounts(-)	-3,000			-3,000		
43.0001	Appropriation (adjusted)	1,462,215	15,000		1,462,215	15,000	

Procurement, Marine Corps
Program and Financing (in Thousands of dollars) FISCAL YEAR 1988

Identification code	17-1109-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1987 actual	1988 est.	1989 est.	1987 actual	1988 est.	1989 est.
Program by activities:							
Direct program:							
00.0101	Ammunition		362,875		308,043	43,545	
00.0201	Weapons and combat vehicles		85,867		62,932	3,443	
00.0301	Guided missiles and equipment		310,200		270,906	27,178	
00.0401	Communications and electronics equipment		278,625		227,619	34,707	
00.0501	Support vehicles		41,116		32,158	4,910	
00.0601	Engineer and other equipment		187,918		151,650	22,529	
00.0701	Spares and repair parts		28,998		22,618	3,480	
00.9101	Total direct program		1,295,599		1,075,926	139,792	
01.0101	Reimbursable program		35,749		35,749		
10.0001	Total		1,331,348		1,111,675	139,792	
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)		-35,749		-35,749		
21.4002	Unobligated balance available, start of year: For completion of prior year budget plans					-219,673	
24.4002	Unobligated balance available, end of year: For completion of prior year budget plans				219,673	79,881	
40.0001	Budget authority (Appropriation)		1,295,599		1,295,599		

Procurement, Marine Corps
Program and Financing (in thousands of dollars) FISCAL YEAR 1989

Identification code	17-1109-0-1-051	Budget Plan (amounts for PROCUREMENT actions programmed)			Obligations		
		1987 actual	1988 est.	1989 est.	1987 actual	1988 est.	1989 est.
Program by activities:							
Direct program:							
00.0101	Ammunition			275,306			205,739
00.0201	Weapons and combat vehicles			95,981			87,297
00.0301	Guided missiles and equipment			330,609			257,875
00.0401	Communications and electronics equipment			294,622			250,102
00.0501	Support vehicles			25,434			19,933
00.0601	Engineer and other equipment			138,252			108,070
00.0701	Spares and repair parts			47,096			36,735
00.9101	Total direct program			1,157,300			965,751
01.0101	Reimbursable program			3,607			3,607
10.0001	Total			1,160,907			969,358
Financing:							
Offsetting collections from:							
11.0001	Federal funds(-)			-3,607			-3,607
24.4002	Unobligated balance available, end of year: For completion of prior year budget plans						191,549
40.0001	Budget authority (Appropriation)			1,157,300			1,157,300

SUMMARY OF REQUIREMENTS
(In Thousands of Dollars)

	FY1987 Actual	FY1988 Estimate	FY1989 Initial Estimate	FY1989 Change	FY1989 Amended Estimate
Ammunition	566,814	362,875	403,587	-178,281	225,306
Weapons and Combat Vehicles	95,703	85,867	263,165	-167,184	95,981
Guided Missiles and Equipment	224,631	310,200	369,475	-38,866	330,609
Communications and Electronics Equip	243,604	278,625	381,834	-87,212	294,622
Support Vehicles	139,243	41,116	28,999	-3,565	25,434
Engineering and Other Equip	138,260	187,918	148,353	-10,101	138,252
Spares and Repair Parts	30,260	28,998	51,062	-3,966	47,096
Total Direct Program	1,438,515	1,295,599	1,646,475	-489,175	1,157,300
Reimbursable Program	7,694	35,749	3,607	-	3,607
Total Program Requirements	1,446,209	1,331,348	1,650,082	-489,175	1,160,907

Budget Activity 1: Ammunition

(In Thousands of Dollars)

FY 1989 Amended Estimate	\$ 225,306
FY 1989 Change	\$ -178,281
FY 1989 Initial Estimate	\$ 403,587
FY 1988 Estimate	\$ 362,875
FY 1987 Actual	\$ 566,814

Purpose and scope of work

This activity provides for the Marine Corps' annual training needs and the acquisition of war reserve stocks for use in the event of mobilization. Munitions included in the request include tank and artillery munitions, mortar and small arms ammunition, demolitions and pyrotechnic devices, and other ammunition items.

Justification of funds

The ammunition account has been restructured in FY 1989 to reflect the adoption of a uniform line item structure among services. The ammunition program of \$225.3 million, which will continue to buy towards established Defense Guidance, funds the following: 5.56mm Ammo, \$14.6 million; 7.62mm Ammo, \$2.6 million; Linear Charges, \$5.4 million; .50 Cal Ammo \$1.7 million; 40mm Ammo, \$13.6 million; 60mm Ammo, \$27.3 million; 81mm Ammo, \$50.1 million; 120mm Ammo, \$6.8 million; 155mm Ammo, \$32.3 million; 83mm Rocket (SMAW) \$27.8 million; Light Anti-Armor Weapon, \$13.8 million; 9mm Ammo, \$2.9 million; Grenades, \$4.5 million; Ammo Modernization \$19.1 million; and Items Less Than \$2.0 million, \$2.8 million.

Budget Activity 2: Weapons and Tracked Combat Vehicles

	(In Thousands of Dollars)
FY 1989 Amended Estimate	\$ 95,981
FY 1989 Change	\$-167,184
FY 1989 Initial Estimate	\$263,165
FY 1988 Estimate	\$ 85,867
FY 1987 Actual	\$ 95,703

Purpose and scope of work

This activity supports procurement of armored and amphibious vehicles, artillery, and small arms. It also supports acquisition of weapons and tracked combat vehicle associated equipment and modification kits.

Justification of funds

The Amended Fiscal Year 1989 request for Weapons and Tracked Combat Vehicles totals \$96.0 million. Each of the major items contained in this request is summarized below:

AAV7A1 PIP - \$47.8 million in FY 1989 is requested to provide AAV7A1 family of vehicles more reliable and serviceable componentry and to enhance the vehicles' operational capability.

M1A1 Tank - \$36.0 million is requested for the procurement of 14 M1A1 Tanks. The purpose of this program is to replace the obsolescent M60A1 tank with a more capable system.

Items Less Than \$2,000,000 (Tracked Vehicles) - \$3.3 million is requested for Shop Sets and Other Ordnance Vehicle Support Equipment.

9mm Personal Defense Weapon - \$3.2 million is requested for 13,589 9mm handguns for replacement of the current service pistol. The FY 1989 request completes the acquisition of the 9mm handgun.

M249 Machine Gun, Light, Squad, Auto (SAW) - \$1.8 million is requested for procurement of 572 light machine guns.

M16A2 Rifle - In FY 1989, \$5.1 million is requested to replace 9,427 existing rifles with the improved M16A2 model which has increased reliability and capability. The FY 1989 request completes the acquisition of the M16A2 rifle.

M4 Carbine - \$1.0 million is requested for the procurement of 1,500 carbines. This weapon provides accurate final protective fire and makes possible effective patrolling, thereby, contributing significantly to the unit's survivability/mission accomplishment.

Items Less Than \$900,000 (Artillery and Other) - \$.7 million is requested for rifle team equipment, shop sets and, explosive ordnance disposal equipment.

Support Activity 3: Guided Missiles and Equipment

	(In Thousands of Dollars)
FY 1989 Amended Estimate	\$330,609
FY 1989 Change	\$-38,866
FY 1989 Initial Estimate	\$369,475
FY 1988 Estimate	\$310,200
FY 1987 Actual	\$224,631

Purpose and scope of work

This activity supports procurement of surface-to-air guided missiles, surface-to-surface anti-tank guided missiles, and related ground support equipment. Funds requested are required to support continuing efforts to enhance the air defense and anti-tank/assault capabilities of Marine Corps ground forces. The Department of the Army is the contracting agency for the HAWK, STINGER and TOW missiles.

Justification of funds

The major items contained in the Amended FY 1989 request total \$330.6 million. Each of these items are summarized below:

HAWK Missile System - The HAWK is a surface-to-air missile system designed to detect, track and intercept low to medium altitude targets in an electronic countermeasure environment. \$139.7 million is requested for 467 HAWK missiles and related support equipment. This missile system is being procured under a four year multiyear contract which starts in FY 1988 and will provide a savings of \$65.6 million.

HAWK Modifications - \$5.8 million is requested to support product improvements which significantly enhance reliability and maintainability, improve countermeasure capability, and update test and field maintenance equipment.

STINGER Missile System - The STINGER is a lightweight, shoulder fired, infrared homing guided missile with an air defense mission. \$145.0 million is requested for 3,115 STINGER-POST missiles and support equipment. This missile system is being procured under a three year multiyear contract with a savings of \$41.3 million.

DRAGON PIP - \$9.7 million is requested for product improvement of the DRAGON in order to extend its useful service life until a follow-on system can be fielded in the 1990's. The Product Improvement is a two phased program. Phase I provides a missile warhead retrofit to our current inventory. Phase II provides for the procurement of an improved warhead as well as the procurement of a new tracker which combines the existing day and night trackers into a single unit day/night tracker.

TOW-2 Missile System - \$28.4 million is requested for 2,585 TOW-2 heavy Assault/Anti-Tank missiles. This missile system is being procured under a five-year multiyear contract with a net savings of \$16.9 million.

Modification Kits - \$1.9 million is requested for safety related and optical improvement modification kits for TOW-2 missiles.

Budget Activity 4: Communication and Electronics Equipment

	(In Thousands of Dollars)
FY 1989 Amended Estimate	\$294,622
FY 1989 Change	\$-87,212
FY 1989 Initial Estimate	\$381,834
FY 1988 Estimate	\$278,625
FY 1987 Actual	\$243,604

Purpose and scope of work

This activity supports acquisition of communications and electronic systems essential to the conduct of modern amphibious warfare. Programs involved include tactical radios and equipment, telephone and teletype equipment, command and control systems, radars and radar equipment, intelligence/communications equipment, repair and test equipment, night vision devices and modification kits.

Justification of funds

The Amended Fiscal Year 1989 request totals \$294.6 million and includes the following telecommunications equipment: \$.4 million for vehicle mounted radios; \$75.7 million for unit level circuit switch and life cycle support; \$23.0 million for digital communications terminals;

\$10.2 million for tactical communications center equipment; \$2.6 million for ANDVT/TACTERM, and \$21.5 million for test, maintenance and calibration equipment, mod kits and items costing less than \$2,000,000.

The Amended Fiscal Year 1989 request for non-telecommunications equipment includes the following: \$29.2 million for position location reporting system; \$57.4 million for tactical air operations modules; \$7.0 million for electronic intelligence support system; \$16.4 million for night vision equipment; \$29.6 million for automatic data processing equipment; \$3.8 million for tactical receiver equipment; and \$17.9 million for test, analysis, maintenance and calibration equipment, mod kits and items costing less than \$2,000,000.

Budget Activity 5: Support Vehicles

(In Thousands of Dollars)	
FY 1989 Amended Estimate	\$ 25,434
FY 1989 Change	\$ -3,565
FY 1989 Initial Estimate	\$ 28,999
FY 1988 Estimate	\$ 41,116
FY 1987 Actual	\$139,243

Purpose and scope of work

This activity supports procurement of commercial passenger and cargo vehicles required to support Marine Corps facilities operations and tactical vehicles required by deployable operational and support forces. Included in the category of commercial passenger and cargo vehicles are: sedans, station wagons, and buses; general and special purpose heavy and light trucks; fire-fighting, refuse collection, and tanker trucks; and various types of trailers. Tactical vehicles procured under this activity consists of military designed prime movers and general purpose vehicles equipped for support of combat operations.

Justification of funds

Funds requested in the Amended Fiscal Year 1989 budget total \$25.4 million and consists of: \$15.0 million for 150 commercial passenger/carrying vehicles; \$12.7 million for commercial cargo vehicles; \$5.8 million for transport kits for the logistics vehicle system (LVS); \$2.4 million for all types of trailers; and \$2.3 million for modification kits.

Budget Activity 6: Engineering and Other Equipment

(In Thousands of Dollars)	
FY 1989 Amended Estimate	\$138,252
FY 1989 Change	\$-10,101
FY 1989 Initial Estimate	\$148,353
FY 1988 Estimate	\$187,918
FY 1987 Actual	\$138,260

Purpose of scope of work

This activity provides for acquisition of combat and service support requirements for earth-moving construction, material handling equipment, power generating and environmental control equipment, fuel dispensing systems, special training devices, and equipment to support Marine Corps facilities.

Justification of funds

Funds requested for the Amended Fiscal Year 1989 budget total \$138.3 million for the following programs: \$13.0 million for cranes; \$11.7 million for tractors; \$5.4 million for garrison mobile engineer equipment; \$5.7 million for fuel, water, pump, and storage units; \$.9 million for automated material handling equipment; \$2.2 million for material handling equipment; \$27.8 million for forklifts; \$1.4 million for audiovisual equipment; \$9.5 million for special training devices; \$2.9 million for command support equipment; \$.4 million for HQMC items; \$3.6 million for light weight decontamination systems; \$2.6 million for environmental control equipment; \$3.5 million for bath shower units; \$19.2 million for shelters; \$15.0 million for containers; \$2.0 million for physical security equipment; \$4.9 million for a telephone system; \$1.7 million for amphibious raid equipment; \$2.0 million for productivity investment; and \$2.9 million for essential minor programs costing less than \$2,000,000.

Budget Activity 7: Spares and Repair Parts

(In Thousands of Dollars)	
FY 1989 Amended Estimate	\$ 47,096
FY 1989 Change	\$ -3,966
FY 1989 Initial Estimate	\$ 51,062
FY 1988 Estimate	\$ 28,998
FY 1987 Actual	\$ 30,260

Purpose and scope of work

These funds are required for procurement of depot repairable spares (replenishment spares) and repair parts essential for the continued support of end items, and for an initial allowance (initial spares) of peculiar depot spares and repair parts to support new equipment/systems being introduced into the Marine Corps.

Justification of funds

The Amended Fiscal Year 1989 program consists of \$25.5 million for initial spares and \$21.6 million for replenishment spares. The following list is provided:

Initial Spares

Tracked Combat Vehicles
Artillery and Weapons
Guided Missiles
Communication/Electronic (Tel)
Communication/Electronic (Non-Tel)
Support Vehicles
Engineering Equipment
Subtotal

FY 1988

.2 m
.5 m
3.7 m
3.4 m
6.5 m
1.9 m
1.5 m
17.7 m

FY 1989

3.9 m
.6 m
1.2 m
5.5 m
10.9 m
.4 m
3.0 m
25.5 m

Replen Spares

Tracked Combat Vehicles
Artillery and Weapons
Guided Missiles
Communications/Electronics (Tel)
Communications/Electronics (Non-Tel)
Support Vehicles
Engineering Equipment
Subtotal

1.2 m
.2 m
1.1 m
3.0 m
4.0 m
1.2 m
.6 m
11.3 m

2.4 m
.5 m
2.2 m
5.8 m
7.4 m
2.2 m
1.1 m
21.6 m

\$47.1 m

TOTAL

\$29.0 m

COMPARISON OF 1987 PROGRAM REQUIREMENTS AS REFLECTED IN FY 1988/1989 BUDGET
WITH FY 1987 PROGRAM REQUIREMENTS AS SHOWN IN AMENDED FY 1989 BUDGET

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

	Total Program Requirements Per 1988/1989 Budget	Total Program Requirements Per Amended 1989 Budget	Increase (+) or Decrease (-)
Ammunition	575,949	566,814	-9,135
Weapons and Combat Vehicles	94,599	95,703	1,104
Guided Missiles and Equipment	224,696	224,631	-65
Communications and Electronics Equip	267,677	243,604	-24,073
Support Vehicles	141,136	139,243	-1,893
Engineering and Other Equip	136,499	138,260	1,761
Spares and Repair Parts	24,659	30,260	5,601
Total Fiscal Year Program	1,465,215	1,438,515	-26,700

EXPLANATION BY BUDGET ACTIVITY

Ammunition (\$-9.1 million)

The net decrease is related to interappropriation transfers from Grenades of \$1.9 million to Military Personnel, Navy and \$1.5 million from Mortar ammunition to the Air Force Space Launch Recovery system and below threshold reprogrammings of \$5.7 million.

Weapons & Combat Vehicles (\$+1.1 million)

The net increase reflects minor price increases for the 9mm handgun (\$+.6 million), Squad Automatic Weapon (\$+.4 million) and the MK-19 (\$+.9 million) as well as other below threshold reprogrammings that net to a decrease of \$.8 million.

Guided Missiles and Equipment No significant changes occurred in this activity.

Communications and Electronics Equipment (\$-24.1 million)

The decrease is primarily due to a rescission of \$15.0 million applied to this budget activity. This reduction has been distributed as follows: the Digital Communications Terminal, \$6.6 million; ADP equipment, \$2.6 million; Electronic Repair Facility, \$4.7 million; and various other programs, \$1.1 million; The transfer of \$9.5 million from the Electronic Maintenance Complex to Engineering and Other Equipment; and an interappropriation transfer of \$1.9 million from the Unit Level Circuit Switch program to fund the Air Force Space Launch Recovery System. Minor changes which result in a net increase of \$2.3 million constitute the balance of the change.

Support Vehicles (\$-1.9 million)

The net decrease is attributable to a transfer of \$2.0 million from Logistics Vehicle System to the Air Force Space Launch Recovery system and other minor changes that net to an increase of \$.1 million.

Engineering and Other Equipment (\$1.8 million)

The net increase is related to a transfer from the Electronic Maintenance Complex to the Shelters program of \$9.5 million offset by decreases by interappropriation transfer to Military Personnel, Navy of \$1.9 million from Forklifts; to the Air Force Space Launch Recovery System of \$3.3 million from Field Wiring Harness and Power Equipment Assorted; and various minor reductions of \$2.5 million.

Spares and Repair Parts (\$5.6 million)

The net increase reflects an increase of \$5.3 million to fund replenishment spares requirements and a increase of \$.3 million to initial spares.

COMPARISON OF 1987 FINANCING AS REFLECTED IN FY 1988/1989 BUDGET
WITH FY 1987 FINANCING AS SHOWN IN AMENDED FY 1989 BUDGET

(In Thousands of Dollars)

	Financing Per FY 1988/1989 Budget	Financing Per Amended FY 1989 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)	1,468,615	1,446,209	-22,406
Program Requirements (Service Account)	1,465,215	1,438,515	-26,700
Program Requirements (Reimbursable)	3,400	7,694	+4,294
Less:			
Anticipated Reimbursements	3,400	7,694	+4,294
Unobligated Balance available to finance new budget plans	33,500	33,500	0
Reprogramming from/to prior year budget plans		108,019	+108,019
Add:			
Unobligated balance transferred to other accounts	7,000	52,700	+45,700
Unobligated balance lapsing		14,719	+14,719
Unobligated balance to finance subsequent plans		71,300	+71,300
Appropriation	1,438,715	1,435,715	-3,000
Transfer to other accounts		3,000	+3,000
Appropriation rescinded	26,500		-26,500
Appropriation (Adjusted)	1,465,215	1,438,715	-26,500

Explanation of Changes in Financing

1. Program Requirements (Total)
The decrease reflects Congressional action, proposed interappropriation transfers, and a change to the reimbursable account.
2. Program Requirements (Service Account)
The increase reflects Congressional actions and proposed interappropriation transfers.
3. Program Requirements (Reimbursable)
The increase reflects a revised estimate of anticipated collections.
4. Anticipated Reimbursements
The increase reflects a revised estimate of anticipated collections.
5. Unobligated balance available to finance new budget plans - no change.
6. Reprogramming from/to prior year budget plans
The increase reflects the FY85 program lapse (\$14,719), Congressional rescission (\$47,600), transfer to the Foreign Currency fluctuation account (\$25,500); and appropriation transfers for Contra Aid (\$8,000), to MPMC (\$5,700) and to OPAF (\$6,500)
7. Unobligated balance transferred to other accounts
The increase reflects the transfer to the foreign currency fluctuation account (\$25,500) and appropriation transfer for Contra Aid (\$8,000), to MPMC (\$5,700) and to OPAF (\$6,500).
8. Unobligated balance lapsing
The increase reflects the FY85 lapsed balance.
9. Unobligated balance to finance subsequent plans
The increase reflects the Congressional rescission of FY86 and FY87 funds (\$62,600) and an interappropriation transfer to the Air Force Space Launch Recovery System (\$8,700).
10. Appropriation
The decrease reflects an interappropriation transfer to MPN (\$3,000).
11. Transfer to other accounts
The increase reflects an interappropriation transfer to MPN (\$3,000).
12. Appropriation rescinded
The decrease reflects amounts rescinded in prior years.
13. Appropriation (adjusted)
The decrease reflects amounts rescinded in prior years.

COMPARISON OF 1988 PROGRAM REQUIREMENTS AS REFLECTED IN FY 1988/1989 BUDGET
WITH FY 1988 PROGRAM REQUIREMENTS AS SHOWN IN AMENDED FY 1989 BUDGET

SUMMARY OF REQUIREMENTS (In Thousands of Dollars)

	Total Program Requirements Per 1988/1989 Budget	Total Program Requirements Per Amended 1989 Budget	Increase (+) or Decrease (-)
Ammunition	410,885	362,875	-48,010
Weapons and Combat Vehicles	94,442	85,867	-8,575
Guided Missiles and Equipment	364,400	310,200	-54,200
Communications and Electronics Equip	275,735	278,625	+2,890
Support Vehicles	39,516	41,116	+1,600
Engineer and Other Equipment	187,770	187,918	+148
Spares and Repair Parts	29,692	28,998	-694
Total Fiscal Year Program	1,402,440	1,295,599	-106,841

EXPLANATION BY BUDGET ACTIVITY

Ammunition (\$-48.0 million)

The decrease to ammunition is related to Congressional reductions of \$36.8 million for anti-armor rounds, \$6.7 million for training ammunition and \$4.5 million for fuzes.

Weapons and Combat Vehicles (\$-8.6 million)

The decrease is related to Congressional deletion of three programs, the Squad Automatic Weapon (\$3.0 million), the M-4 Carbine (\$1.0 million) and the MK-19 Machine Gun (\$3.6 million) and other reductions of \$1.0 million for pricing.

Guided Missiles and Equipment (\$-54.2 million)

The decrease is related to Congressional adjustments of \$-18.4 million for the HAWK (MYP) program, \$-44.4 million for the Stinger (MYP) program and \$11.5 million for the TOW program; and \$-2.9 million for HAWK (MYP) repricing.

Communications and Electronics Equipment (\$2.9 million)

The net increase is due to an increase of \$5.3 million for the Tactical Air Operations Module for increased requirements and a decrease of \$2.4 million for pricing adjustments.

Support Vehicles (\$1.6 million)

The increase is due to an increase in requirements for the Logistics Vehicle System.

Engineering and Other Equipment (\$.1 million)

The net increase is due to an increase of \$1.5 million for Training Devices (Simulators) and a decrease of \$1.4 million for pricing adjustments.

Spares and Repairs Parts (\$-.7 million)

The decrease is related to a change in initial spares requirements.

COMPARISON OF 1988 FINANCING AS REFLECTED IN FY 1988/1989 BUDGET
WITH FY 1988 FINANCING AS SHOWN IN AMENDED FY 1989 BUDGET

(In Thousands of Dollars)

	Financing Per FY 1988/1989 Budget	Financing Per Amended FY 1989 Budget	Increase (+) or Decrease (-)
Program Requirements (Total)	1,405,942	1,331,348	74,594
Program Requirements (Service Account)	1,402,440	1,295,599	-106,841
Program Requirements (Reimbursable)	3,502	35,749	+32,247
<u>Less:</u>			
Anticipated reimbursements	3,502	35,749	+32,247
Unobligated balance available to finance new budget plans		71,300	+71,300
<u>Add:</u>			
Unobligated balance transferred to other accounts		8,700	+8,700
Appropriation	<u>1,402,440</u>	<u>1,232,999</u>	<u>-169,441</u>
Appropriation rescinded		<u>62,600</u>	<u>+62,600</u>
Appropriation (adjusted)	1,402,440	1,295,599	-106,841

Explanation of Changes in Financing

1. Program Requirements (Total)

The decrease reflects Congressional action to the FY 1988 President's Budget Request and changes to the reimbursable program.

2. Program Requirement (Service Account)

The decrease reflects Congressional action to the FY 1988 President's Budget Request.

3. Program Requirement (Reimbursable)

The increase reflects a revised estimate of anticipated collections in FY 1988.

4. Anticipated Reimbursements

The increase reflects a revised estimate of anticipated collections in FY 1988.

5. Unobligated balance available to finance new budget plans

The increase reflects the Congressional rescission of FY 86 and FY 87 funds (\$62,600) and interappropriation transfer to the Air Force Space Launch Recovery system (\$8,700).

6. Unobligated balance transferred to other accounts

The increase reflects the interappropriation transfer to the Air Force Space Launch Recovery system (\$8,700).

7. Appropriation..*

The decrease reflects Congressional action to the FY 1988 President's Budget Request.

8. Appropriation rescinded

The increase reflects Congressional rescissions in FY 86 and FY 87.

9. Appropriation (adjusted)

The decrease reflects Congressional action to the FY 1988 President's Budget Request.

DATE
FILMED
— 8